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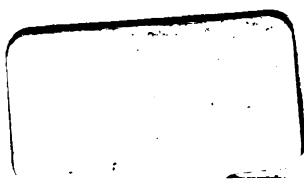
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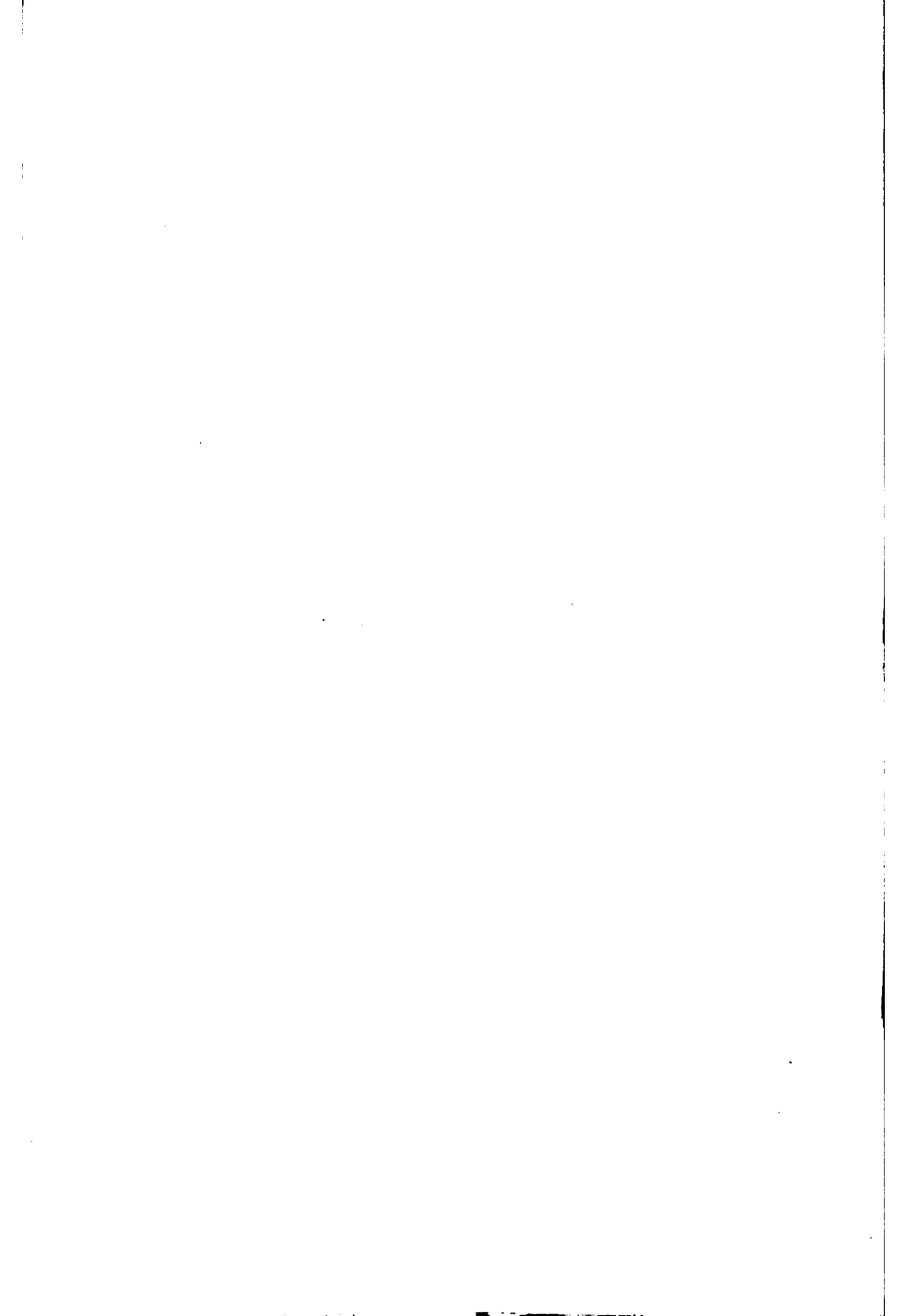
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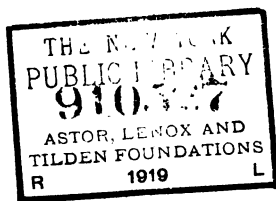
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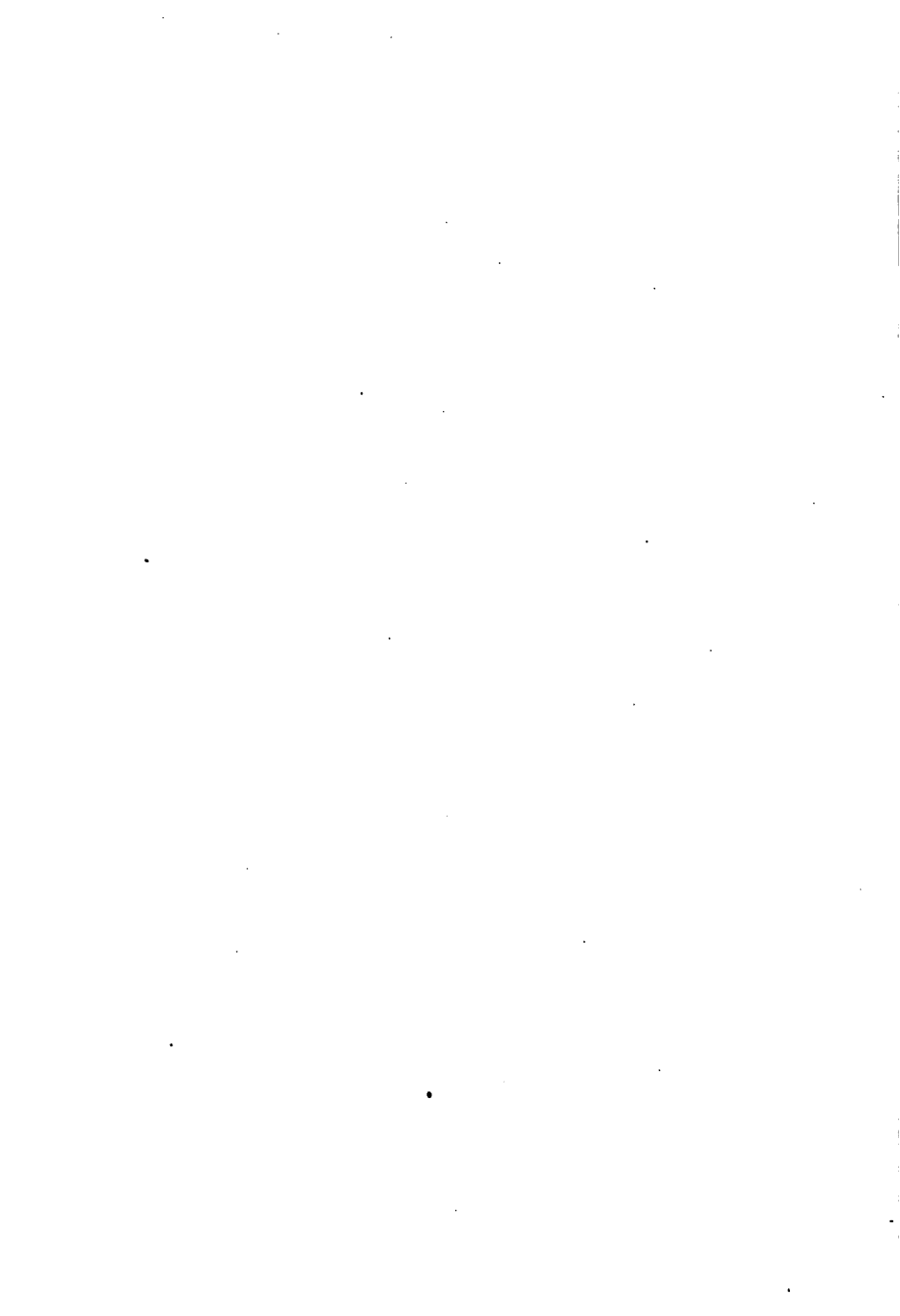


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FOREWORD

ENTRANCE into the world war brought this nation face to face with many grave problems. The American people and Congress sought advice and counsel from recognized leaders of thought and industry.

J. Ogden Armour was among those whose opinions and beliefs were most eagerly sought after during the period of discussion of war measures. He responded by discussing the business problems of the war in signed articles in various of the nation's leading magazines and in the public press. The authority with which he spoke compelled attention and his views were found to be sound.

With prophetic vision, he advocated many of the remedial measures afterwards adopted by the government to meet war problems. His ideas were reflected in the government's efforts to encourage production, to improve distribution, to foster cold storages, to prevent waste in the home, and in the guaranteeing of prices for staple commodities, the licensing of big food purveyors and organization of the retailers for the purpose of reducing prices.

The demand for Mr. Armour's writings on the Business Problems of the War has been so large that his principal articles have been gathered together in this book.

THE EDITOR.

BUSINESS PROBLEMS OF THE WAR

DIVERSIFY, FERTILIZE, MOTORIZE, SPECIALIZE

[From The Saturday Evening Post]

THE nation awaits the solution of the food problem. That there is a problem is evidenced by the existence of a most unusual condition wherein, with the world clamoring for a larger food supply and paying record high prices, the producers hesitate to increase their yield greatly, through fear that increased production will penalize and maybe ruin the producers. They have visions of glutted markets.

The Government's food-control commission, headed by Herbert C. Hoover, is the center of attention, and the public apparently expects it to come forth with a brief announcement or decision that will assure food in plenty and at low prices.

In my opinion there will be nothing sensational or especially radical in the program that the commission will finally adopt. The seat of the trouble is neither at the producing nor the consuming end of the matter, but with the distribution thereof. A common-sense readjustment of the nation's distributing system is needed in order to assure a market, at a profit, for everything perishable that the farmers can raise.

The producers must be assured against continuation of a condition wherein every year sees thousands of

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bushels of apples rot under the trees and thousands of bushels of potatoes decay in the pits—because there is neither a ready market for them of which the producers are aware, nor adequate means of storing them up for some future use.

It is necessary that we bring order out of the chaos which now rules the business of growing and distributing perishable food. This chaos is chiefly apparent in the lack of knowledge accompanying the planting and the distributing of crops.

There is need that the farmers of the nation have at their disposal full and complete information as to what crops are being grown and when the harvest will be on. There is need that they be kept fully informed as to the location of food stocks and the directions in which they are moving, and that there be easily accessible channels of news which will prevent the sending of more food or live stock to a single market than it has need for, while some other market is in want. Likewise the farmers should have advices at hand that will enable them to regulate their shipments so that all supplies will not reach market at the same time thereby forcing prices below their true value level and taking the just profit out of farming.

HOW BETTER DISTRIBUTION WILL HELP

Such occurrences are frequent at the various stock-yards. Hogs or cattle arrive in such large numbers some days that the supply greatly exceeds demand, and the competition to sell forces the price below normal. Stale cattle then affect the markets for several days, and shippers learn of the glut and withhold or divert their animals. A shortage follows, and the com-

THE FOOD PROBLEM

petition on the part of the buyers sends prices above a true value. This condition, wherein the farmer does not know approximately what his animals are going to sell for, must be remedied.

It is the chaos which exists in the planning of our crops, in the marketing of them, and in the distribution thereof, that acts as the greatest deterrent to a determination on the part of the farmers to increase their crops.

The machinery for the Government to be of service to the whole people in assembling and disseminating the needed information already exists for the most part, but it should be improved and amplified so that the objective can be fully attained.

Our food supply might be likened to a stream. At some seasons of the year the creek bed, due to the spring freshet, is full to overflowing, and if we take no steps to conserve it we waste what might be very valuable to us later on when the drought comes. But suppose we build a dam. Then in the reservoir behind it we store up a big supply of water which we are able to let out little by little as needed, to irrigate fields that otherwise would be sunbaked. In the food world the cold-storage plant and various preserving processes must be amplified until they represent a great reservoir, taking foodstuffs as they come into season and passing them out to us again through all the other months of the year.

The food problem will be solved only when Nature is worked to capacity in the growing season and when all the products of this season are so distributed over the other seasons that nothing will be lost. Not until then can we, as a nation, capitalize the agricultural possibilities of this wonderful country, which, experts

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assert, could be made, under a proper system of intensive cultivation, to feed the whole world.

My conclusion on the nation's problem is this: If efficient distribution of foodstuffs is assured, so that there will be no danger of glutted markets and ruinous prices at harvest times, the farmers themselves will find the way to make production measure up to the world needs.

The distribution of foodstuffs naturally resolves itself into two phases, which are: Distribution throughout the year, and distribution throughout the country.

Distribution of foodstuffs over the seasons is a problem out of all proportion to the attention it has received. Our present methods result in brief periods of great plenty and long stretches of scarcity. At least that applies in the aggregate. We must adopt measures that will make it unnecessary to eat things in order to prevent their being wasted. We must perfect means whereby we can have so-called "seasonable" products at all seasons of the year.

It is imperative that we recognize this need and make provision at once, else we shall shortly witness an enormous wastage of much good food. I am told that the products of the truck garden are going to be nearly doubled this year as a result of the "plant every acre, vacant lot and back yard" movement. An increase of one hundred per cent in the amount of vegetables is an accomplishment that the nation should profit by to the fullest extent. To do so, provision must be made for carrying some of the yield far past the date when it usually goes off the market, else we shall have a glutted market for a few weeks, during which time vegetables will be cheap and follow-

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ing which they will bound right back to prices such as prevailed this spring.

What will it avail us to grow great quantities of foodstuffs which will not last longer than the ordinary supply?

Here is a vast field for Government attention. Systems of storage and preservation must be developed and not only made acceptable to the people but so well understood that they, too, can use them in saving for future use the products of their labors in the garden.

The cold-storage system is a wonderful factor in evening the distribution of foodstuffs and thereby stabilizing the market. It is a national necessity. There was a time, not many years ago, when meat, other than smoked or dried, was a winter product. It was not a case of high price in the summer; you simply had to do without. Fruits traveled a similar route before a way was found to preserve the ripe crop for use in the months and even the years to come.

That man or that firm which is engaged in storing up food from the days of plenty for the days when Nature is not providing is benefiting the human race.

The Government should encourage the building of cold storages and should co-operate in filling them up in the seasons of plenty. A watchful eye will result in the food going back on the market when it is needed, and at a proper price. That price should be the initial cost, plus the cost of handling and storage, plus a reasonable profit. It is as proper for the Government to prevent usurious prices for food as it is for the Government to prevent usury in the exchange of money.

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Preservation is not food speculation or food hoarding for high prices. It is simply applying the lesson taught by Joseph, of Old-Testament fame, who stored up the excess crops of seven years to provide for the seven lean years that his vision told him were to follow, and who thereby saved Egypt from starvation.

JOSEPH HAD THE RIGHT IDEA

Joseph's determination to lay by a portion of each year's crops probably caused criticism. Doubtless some short-sighted individuals branded him a food hoarder and suspected him of trying to corner the market in order to get high prices. What Joseph in his wisdom did is now the practice of the world, and those things that Nature makes easy to preserve are laid by from year to year so that one bad crop or two bad crops do not result in want. Had Joseph known how to preserve vegetables and fruits and eggs and butter and other eatables, he would doubtless have done for Egypt what the cold storages and the canneries do for us now.

Government experts know the world's best methods for storing and preserving food, and they have abundant means to evolve new methods and new processes. They should apply themselves to the task, and in addition should do everything in their power to enlighten the public on methods for storing and preserving the products of the garden before those products reach the point where they must be eaten or wasted.

The people need governmental assistance on this score, especially in view of the hindrances to the following of the ordinary home methods of preservation. Tin cans and glass jars are scarce and high in

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price. New methods of preservation may have to be devised and the Government undoubtedly will do its share not only in developing means of preservation but also in acquainting the public with their suitability and desirability. Apparently the drying of food products presents a wonderful field for Government investigation and development.

Cold storage and preservative processes benefit the producer in giving him a market at a profit when the supply is largest, and when, if it were not for the cold storage and the methods of preservation, the price would be forced below the actual cost of production. It is right and proper to pay all producers a profit; it is necessary that there be a reasonable profit for service of every kind if the nation's economic foundation is to be kept firm.

Cold storage tends to preserve a stability of prices; but, more important still, it assures a stability of supply. We must choose between two alternatives: On the one hand, supplies may be bought below cost at the time of production, but not at any price for the remainder of the year. The other alternative provides no "bargain" low prices at any one time, but an assured supply at a reasonable price for all time. The former is the practice of the animal and the savage; the latter is the method of civilization. The storing up of the summer's products for the winter's use is a demonstration of wisdom.

The second of these phases of distribution—that of moving food products over the country—is a work for big concerns, because it requires a huge organization and large investment to render efficient service. Distribution over the country means moving the products

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of one section to the consumers in all sections. The oranges of California and Florida are needed in Maine and Minnesota. The apples of Oregon and Washington and New York are wanted in Illinois and Louisiana. The cattle from the Western ranges and from the Corn Belt farms must provide steaks in Boston and Philadelphia. In a word, the problem is to spread the product of prolific sections over all sections, and to do it at the least expense and with the least possible waste.

When peaches glut the market in Chicago, but are scarce in New York, it is an indication of a faulty system of national distribution. When potatoes are plentiful and cheap in Colorado, but scarce and expensive in San Francisco, something is wrong with the distributing system. Under ideal conditions the supply of any food will be so equitably distributed that all danger of sectional shortages will be eliminated, and one of the main causes of high prices will disappear at the same time.

There is need for some agency that will supervise distribution of foodstuffs over the country in much the same manner that an efficient train dispatcher supervises the movement of cars—sending them out promptly and by the shortest route, with all trains doing capacity work and with empty cars reduced to a minimum.

MAXIMUM AND MINIMUM PRICES

It is much easier to diagnose this condition than it is to prescribe. Improvement cannot be brought about by the stroke of a pen. A plan will have to be worked out that will show the whereabouts of supplies and the directions in which they are moving. When that information in complete form is available to shippers

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and to dealers distribution over the country will in a considerable measure regulate itself. There need be only enough official supervision to make certain that the laws of supply and demand are permitted to work unhampered. Existing Government agencies can do this.

The important part played by the railroads in the matter of distribution must not be overlooked. It is imperative that there be facilities for quick shipment of any quantity of foodstuffs to any or every part of the country, according to the needs. The railroads present the only means of accomplishing this, and they cannot do it unless they expand and improve their services. The Government must take measures that will put the railroads in a high state of efficiency for the big task that is theirs. Only prosperous and growing railroads can give satisfactory service in the work of nation-wide distribution.

Distributors of food do a work that is indispensable in our state of civilization. Their function is to move products from the farm and range and orchard, where people cannot go, to the tables of the consumers, where the producers cannot take them. Also, it is the function of these middlemen to prepare, improve, refine, preserve and store the products in order that they may reach the consumer in a form that accords with his demand and at the time he wants them.

The legitimate middleman gives value received for every fraction of a penny that he must needs add to the cost of the article he handles. The service he gives entitles him to add the expense thereof to the price of the article and to make a reasonable profit.

Ways to improve distributing methods in addition to ousting the parasite are not lacking. The business

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has been reduced to a science by the Chicago packing plants, which can be pointed to as the acme of efficiency in the distribution of certain foodstuffs. Similar measures made nation wide would greatly simplify and expedite distribution to the benefit of the producer and of the consumer. It is a matter of record that the packing concerns do business on the lowest margin of profit of any big business industries in the world. That is what specialization, organization and heavy investment have accomplished in the meat-packing industry.

Other products are handled on similar low margins, and the vast systems that have been worked out enable the quick movement of foodstuffs from the field of production to the place of consumption in the most economical manner, both as regards cost and as regards waste. It is the function of the packers to get products where and when they reach their highest state of excellence and to give them to the consumer at any time in the future he may want them, and with quality unimpaired.

The Government can aid in the ultimate distribution of food by taking steps that will assist legitimate middlemen in more highly organizing their operations for the purpose of decreasing their costs, thereby lowering the amount they must necessarily add to the original cost of the product.

There has been some talk of licensing distributors and purveyors of foodstuffs, and such a course might well be taken, as it would prevent the man who is not a food dealer from dealing in food.

We should begin work on the solution of the food problem by proclaiming the justice of the claim that

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the producer is entitled to sell at a profit all he can produce, at this time when scarcity means national danger and menace to our freedom and even to our existence. It is reasonable to believe that production will keep pace with demand when production is sure of profit.

But if any incentive other than assured distribution is needed I believe the Government could provide it in the shape of guaranteed prices for the producer.

There should be no error as to the meaning of a guaranteed minimum price. It is not a guaranty of low price; it is nothing more or less than a stimulator of production. A guaranteed minimum price for grain or for live stock, fixed high enough to assure the producer a profit even at present high prices for seed and labor and the other things that determine the cost of production, would undoubtedly result in greater supplies of food being produced.

Farmers must not be expected to blind themselves absolutely to their own best interests. Self-preservation is the first law, and the farmer whose capital is small will be a patriot, indeed, if he sinks it all into high-priced seed and labor when there is a chance that prices may fall to a point where his patriotic effort to produce more threatens his own ruin. There are few people who desire to be martyrs.

Farming, like all business, and like all life, for that matter, is a gamble. The manufacturer insures the sale of his product, so far as he can, before he makes it, and the best business men are those who are certain of their ground. Either may make a mistake, however, or may lose out through no fault or oversight of his own; and for that reason the element of chance always

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enters in. But so far as is possible, under conditions that exist now and will exist for some years to come, I think it right for the Government to remove the element of chance in the matter of producing food. Any step that will stimulate production and assure a larger supply of food is a good one for the Government to take.

The guaranty of a minimum price will not prevent the producer from benefiting from his labor; on the contrary, it will aid him to do his best to solve the food situation without risking his own welfare.

The fixing of a maximum price during the war period as a protection for the consumer is likewise worth consideration. I see no good reason why the public should not be protected against extortion in the same way that the producer is protected against loss. A maximum price, carefully calculated from the costs of production, of preparation and of distribution, plus a reasonable profit, should not be objected to by the producer or by those who handle food on its way to the table. That individual or that concern which protests against a maximum price justly and reasonably calculated on a basis that will give a reasonable profit for service rendered should look to itself, for it is out of accord with the needs of the day and the desires of the public.

The assumption that a better distributing system would stimulate food production is based on knowledge that American farms can be made to produce much more than is now the case.

Intensive farming, coupled with better agricultural methods, is the way to increase yields in the face of labor shortage. Intensive farming does not mean the tilling of a ten-acre plot in lieu of a hundred-acre farm.

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It means the tilling of every acre to capacity; and from what we know of the capacity of a single acre of average land, it is not hard to accept as true the statement that intensive farming methods would enable the United States of America to produce enough food for nearly all the people in the world.

GREATER YIELDS WITH LESS LABOR

The general idea of intensive farming is the application of much labor to a few acres. That kind of intensive farming is out of the question, because we must seek to lessen the amount of labor per acre rather than to increase it. The question we must answer, therefore, is this: How can we increase the yield of every acre without increasing the labor thereon?

There is an answer to that question. It is a formula that can be put thus:

DIVERSIFY
FERTILIZE
MOTORIZE
SPECIALIZE

The first and the last of these may seem contradictory, but they are not. Proper diversification requires that the farm be managed so that it will produce every year the largest possible crop of the product it is best fitted to grow, and that any part of the farm not devoted to that particular crop be utilized for raising such crops or such products as will best serve to aid in producing the main crop. We must banish the mistaken belief that diversification means dabbling; that it means the growing of half a dozen or more products; that it means getting away from a single main crop.

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The most glaring instance of this mistaken idea of diversification comes from the South, where efforts are being made to turn the farmers from their cotton crop. For the South to give up raising cotton in order to raise corn, wheat or other products would be a most distressing mistake. The South is the place to raise cotton. It should raise more rather than less.

Cotton, besides producing cloth, is a food crop of much greater importance than is generally known. It is a producer of fats, for one thing, and fats are most important. The lack of fats in Germany is one of the greatest handicaps the Kaiser faces in his effort to dominate the world. Cottonseed oil and cottonseed meal are foods that are more widely used than appreciated, and that are worth more to the nation than is generally known. The production of cotton should be stimulated, rather than curtailed by any propaganda that would turn cotton fields into cornfields.

Diversification in the cotton country demands the growing only of those things that are necessary to maintain the land at its greatest productive power. The cotton grower who raises livestock and the forage and small grain needed to make a proper balance for the feed that cotton provides, is truly diversifying his crops, because the livestock will enable him constantly to increase his money crop—cotton—without robbing the soil.

Diversification in the Corn Belt means the growing of such grains as will grow and the raising of enough livestock to keep the main part of the farm in condition for producing big yields of corn. Nearly every agricultural product has a certain section of the country in which it can best be grown, and the laws of Nature

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should be closely followed. That land which is best suited to the growing of corn should be planted to corn; that land which will raise the best cotton should be used for that purpose; where Nature will produce the best potatoes is where man should plant them.

It will be a movement toward the solution of the food problem when the country in general realizes that the best crop of corn will be produced when the men best schooled in the lore of corn raising are placed on the land which is best fitted to raise corn, and when the best cotton growers are put to work on the best cotton land, and so on throughout the list of agricultural products.

Diversification, therefore, means regulation of the farm to produce the biggest possible crop of the product best suited to it, and to enable the marketing of that crop in the most advantageous manner.

HOW FERTILIZATION PAYS

The second ingredient in the formula for intensive farming is to fertilize. Fertilization dovetails with diversification. It is one of the principal objects of diversification. It produces bigger yields per acre, thereby reducing the cost of production per acre. It requires no more seed to raise one hundred bushels of corn on an acre of land than it does to raise thirty. Neither does it require appreciably more work. It is largely a matter of soil fertility. The soil that Nature suited for corn and that man properly prepares for corn will give a big yield of corn when the ill-suited, poorly prepared acre fails to pay for the labor on it.

Intelligent fertilization of properly chosen ground will result in larger crops, thereby reducing the cost

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of production, which will mean more food and lower prices for the consumer, and more profit for the producer.

I do not fear contradiction when I say that the problem in a nutshell is to provide a bigger profit for the producer, and lower prices for the consumer. How better can a bigger profit be assured than through the production of bigger crops at proportionately less cost?

That is what intelligent fertilization will accomplish. Live stock, fed on the farm, furnish the best means for securing fertilization, but they are not sufficient in themselves. Statistics prove that all the live stock in the country could not produce enough fertilizer to replace the plant-life elements taken out of the ground yearly in an agricultural state such as Iowa, for example. Commercial fertilizer is therefore a necessity, and the nation is fortunate in that great plants for the production of commercial fertilizer have been built and are hard at work preparing the materials necessary to maintain soil fertility.

The intelligent use of commercial fertilizer furnishes the answer to the oft-repeated question, "How has Germany managed to feed herself while surrounded by foes who have made every effort to cut off her food supply?" The Germans use great quantities of fertilizer, and the yields of the various staple crops are from two to three times as large as they are, per acre, in this country.

The motorizing of the farm is another measure that will reduce the cost of production. The farm tractor is therefore destined to be a factor in meeting the food situation. If intensive farming entails more labor, that additional labor must be performed by farm

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machinery, because the man power will not be available. Europe has been decisive in its recognition of the tractor. After years of refusal to stamp it O. K., because there still remained much to be desired in the development of the machines offered, the problems of the world war made it instantly apparent that motor tractors would have to be used while the development and improvement process goes on. Contracts for thousands upon thousands of tractors have been let, and the manufacturers are working to their capacities. More tractors must be turned out and the production must be intensified so that the supply can somewhere approximate the demand.

One or more tractors on every farm will help toward intensive farming and will help to solve the labor shortage problem.

Last, but far from least in the formula, comes specialization. The word is a comprehensive one, and I use it to mean the skillful application of those methods of farming that careful study and experience have demonstrated to be the best in each particular line. Each farmer should endeavor to acquaint himself with the last word in the business in which he is engaged. Farming, like every other line of human endeavor, is constantly undergoing changes with a view to improvement, and the farmer, like the merchant and the manufacturer, must consider himself still in school and still able to learn of methods that will enable him to do better farming.

THE TOLL OF THE GARBAGE CAN

Progressive farmers are not slow in grasping and applying new ideas. There is need now that they

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adjust their methods faster than they have ever done before, and in this they should have the help of all the experts at the disposal of the Government and of all those who are connected with the agricultural institutions and the experiment stations.

By diversification, fertilization, motorization and specialization we can bring about a more intensive cultivation of the soil, with all the benefits that will accrue therefrom.

Chief among these benefits will be a new realization of the function of farming, and with this should come a back-to-the-farm movement that will solve for many years to come the problem of securing needed food supplies. When the farmer is more widely recognized as the benefactor he is, it will be easier to bring about a bettering of the conditions under which he lives and works. It seems to me a proper Government function to improve roads, provide better mail service and otherwise make life on the farm so attractive that migration will turn from the city back to the country.

Good roads and better conditions on the farm are in themselves big factors in solving some of the main problems of production and distribution that confront us as a nation.

Having assured bigger production through intensive farming and improved distribution, there remains only one other prime factor in the food problem. It has to do with the use of food in the home.

The American garbage can gets \$700,000,000 worth of foodstuffs annually. That is an enormous waste and it must be stopped. The public press and leading magazines have given the matter considerable attention since the war broke out, and I am sure that a

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change is being effected. Conservation of food does not require that we go hungry or that we stint ourselves at the table. All that is necessary is that waste be eliminated. The need is that enough food be cooked—rather than too much—and that food be bought when needed and not permitted to lie round in the larder and spoil. In a word, the American housewife must recognize, as her husband is doing, that war demands efficiency and that waste is nothing less than inefficiency.

The Government has called us to war and rightly tells us that it is the patriotic duty of the young men to take the rifle and of the others to do their part in the various ways that exist. It would be a poor reward for patriotism if the Government failed to do its part in assuring food and reasonable prices to the people at home. Most of the actual work will have to be done by the people, but the Government must point the way and take the lead.

With the Government co-operating with producer and purveyor and with the consumers doing their share, the farms of America will provide the food that will keep our armies in the field and our civilians in plenty while the work of making the world safe for democracy is being carried to a successful conclusion.

THE TRUTH ABOUT THE PRICE OF MEAT

[*From Collier's Weekly*]

THE public is alive to the food problem. People everywhere are interested in the efforts of the farmers and gardeners to grow record crops; they are sympathetic to the Government's appeal to the housewives to conserve food, but most of all they are concerned about the high prices that have prevailed for some months past.

The steady increase in the cost of living, which has been apparent for several years back, turned into a wild rush when this country declared war and cast its lot on the side of democracy in the great world struggle. Summer came on and prices for nearly all sorts of foods reached levels hitherto unheard of and refused to recede much, even under the pressure of incoming fresh produce. Government reports issued in June indicated that the cost of living was then 50 per cent, or thereabout, higher than it was three or four years before.

Under such circumstances, it is natural that people are asking the why and the wherefore and are demanding corrective legislation. They have a right to know, and if corrective legislation is possible it should be enacted. It is up to the purveyors of food fully to explain the causes of high prices and to rely on the American people to approve those advances which are shown to be justifiable or unavoidable.

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That must be the new ethics of big business—of the food dealers and others as well—for, after all, business cannot exist without the consent of the people, and ought not to exist without their approval.

Meats, like nearly all articles of food, advanced in price during the past year and especially during the last six months, but did not climb as rapidly nor to such dizzy heights as did many other foods. Potatoes, onions, beans, and flour went up so fast and so far that in comparison meat stood still. Government statistics issued in June showed potatoes selling at an increase of 146 per cent over the price that ruled in 1913, the year before the outbreak of the world war. Onions were 260 per cent higher, beans 96, flour 69, corn meal 36, eggs 60, and bread 40 per cent over the level of 1913-14. Foods which had not gone up 25 per cent in price were the exception. Most meats were among these. Sirloin steaks were up 19 per cent, round steak 21 per cent, bacon 20 per cent, and ham 26. Pork chops had increased in value 38 per cent, but the cheaper cuts of beef and pork were much slower in climbing, and the average advance of the meat list as a whole was much less than the average of other important and staple foods, making it a fact that meat actually held back the advance of food prices.

CAUSE OF THE RISE

Meat, however, is such an important item on the American table that its increased cost has attracted attention and comment somewhat out of proportion to the rate of advance. Statisticians tell us that the average American family spends 43 per cent of its income for food and that nearly half of this amount

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goes for meat. Under those circumstances, we can understand why an average advance of 15 or 20 per cent in the price of meat would cause more comment than 30 or 40 or even 50 per cent in the case of the remainder of the food list. A full discussion of the meat-price question should be welcomed by consumer and purveyor alike because out of it might come something of benefit to both. I do not hesitate to say that high prices are as bad for the purveyor as they are for the consumer and that the problem of bringing about lower prices is of mutual concern. A method economically sound which will reduce the price of meat and permit of increased consumption will prove a boon to the food purveyors as well as to the people who eat meat.

It must not be forgotten that the keynote to successful business is big volume. It is because of this that meat packers have become food purveyors and are now dealing in every line of food which can increase their sales without materially increasing their expenses. A big volume of business is especially necessary in the food-purveying industry because it is the most highly competitive in the world. The finished article goes to the consumer for a sum nearer the actual cost of the raw material than does the finished article in almost any other line of human endeavor. This sort of competition compels operation at the lowest possible profit and the giving of the utmost in service. Unless these two requirements can be met, no firm can continue long in the food business, let alone measure up to its opportunity for growth. It is, therefore, incumbent upon any business concern to do all in its power to increase its volume if it would grow and prosper.

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So far as I can find, there is nothing mysterious or sinister about the advance in the price of meat. It is not the work of that great American bugaboo, the food hoarder, nor can it be charged to speculation. It is an increase brought about by the steadily rising cost of the raw product—coupled with an abnormal and world-wide demand.

The price the consumer pays for meat—or any other commodity—is determined by four factors which are: (1) Cost of the raw material; (2) cost of preparation; (3) cost of distribution, and (4) profits.

It is the last of these which gets the most attention, because of the rather widespread belief that big profits, somewhere along the line, are responsible for all price increases.

I say frankly and boldly that meat price increases are not due to big profits so far as the meat purveyors are concerned. The packers' profits on meat are so small as to be almost negligible when applied to the amount of a day's purchase by an average American family. It is actually a fact that the fresh meat from the steer or the hog or the sheep is sold by the packer to the retailer at a figure which often fails to pay for the raw product; that is, the animal on the hoof. I do not mean to infer that there is no profit in the slaughter of live stock. There is a profit, but it comes from products other than those which are sold as meat.

To illustrate this, let us consider hogs which were bought in July. They cost approximately 15 cents a pound, live weight. In other words, we paid 15 cents a pound for meat, bones, hide, bristles, entrails, and even the dirt that clung to the animals. We paid as much for the offal and the stuff that once was waste

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as we did for the meat. After separating the meat from the inedible portions of the hog and dressing it at considerable expense, note how we disposed of the various cuts during the week of July 9.

For the feet which we bought at the rate of 15 cents a pound we got $5\frac{1}{2}$ cents a pound; back bones and trimmed neck bones returned 6 cents on the 15 cents a pound that they cost; melts brought in only 5 cents a pound; the ears and the liver were listed at 8 cents; hearts and livers together sold for $8\frac{1}{2}$ cents a pound; hogs' brains and knuckles brought 10 cents a pound; hogs' heads with tongues out were quoted at $10\frac{1}{2}$ cents and with tongues in at $11\frac{1}{2}$; the snout was worth $10\frac{1}{2}$, and the kidneys 11 cents a pound. In short, the July 9 wholesale price list contained some thirty-seven cuts and portions under the pork heading, and of these seventeen brought in less per pound than was paid for the live animal before the expense of dressing and distributing had been added. The more valuable cuts sold for enough to bring the average price per pound up to 20 cents.

The story of the beef steer is essentially the same as the hog. The dressed meat of the animal is sold to the retailer for less than the live animal cost. A 1,000-pound steer bought early in July cost from \$125 to \$140, whereas the meat from that animal, less than 600 pounds being edible, sold for from \$100 to \$110. Sheep are handled on a similar basis.

But despite the fact that the dressed meat is sold to the retailer at approximately the cost of the living meat animal, there is a profit in each animal—else there would be no highly developed meat-purveying industry, and in that case meat prices would have to be advanced materially.

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The profits which enable packers to handle meat at less than cost are due to the utilization of those portions of the animals which until recent years were wasted or destroyed.

BY-PRODUCT PROFITS

The story of by-products and the utilization of waste reads like romance. It is a veritable fairy tale about which volumes could be written. It is not fiction, but truth, that the meat animal, in addition to providing meat, is the source of a variety of products ranging from violin strings to football covers, from fertilizer to perfume bottle caps, from soap elements to dynamite essentials and from pharmaceutical supplies to glue. Ways have been found to make commercial use of everything in or on the meat animal.

The intestines make sausage or snuff containers; the bladder is used in similar fashion. The bones are made into buttons and handles for knives or are used in making glue; the hairs from the inside of a cow's ears make wonderfully fine brushes for artists; ox gall is used in water-color paints and in ink; gallstones become charms much prized by Orientals; from the stomach walls of the calf is obtained the rennet used by cheese makers in curdling milk, and from the lining of the hog's stomach pepsin is secured. The pineal gland, in cattle an organ no larger than a pea, is carefully saved, and 15,000 of them are capable of producing a pound of a highly prized drug called pineal substance.

And so it goes. Nothing about the meat animal goes to waste; everything is turned to commercial use. This is how banjo strings and hair ornaments hold

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down the price of beef. It is wonderful. I wish the story of by-products and the utilization of waste was familiar to everyone. People would then understand that the packers' profits bring cheaper meat. These profits are large only when they are considered in the aggregate. When brought down to a matter of return on the individual dollar's worth of business done, the rate of profit is so small as to be noteworthy. Armour & Co.—and we are representative of the greatest food-purveying concerns—earned some \$20,000,000 in 1916. That sounds huge until you analyze it and learn that it represents only 3.8 cents on the dollar's worth of business done. We had to do more than \$500,000,000 worth of business to earn \$20,000,000.

Of our total business, of which meat is a much smaller part than is generally understood, \$300,000,000 was done in the United States, and the profit on this business was a little less than \$9,000,000. That means we earned less than 3 cents on each dollar's worth of business done in this country. It is a fact, verified at Federal investigations and certified to by chartered accountants, that the Chicago packers do business on the smallest margin of profit of any big industries in the world. By reason of the efficiency and dispatch that have been developed in the business, it has become possible to turn capital over several times in a year, and because of that the capital which is invested in the vast food-purveying industry is enabled to earn at a rate which approximates that of money invested in other industries.

This fact should not be lost sight of—packers' earnings come from by-products and not from the sale of meat; their profits actually make meat cheaper

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to the consumer and more remunerative to the producer. It is erroneous to charge that high prices for meats are due to the profits of the packers.

Two other factors in determining price are the costs of preparation and of distribution. In both of these the packers figure, so it is proper to investigate these factors in the price problem at this point.

WHAT ABOUT PREPARATION COSTS?

The packers do practically all the work connected with turning the live animal into meat. This includes killing and dressing and such processes of curing, mixing, or aging as are required by the various kinds of meat products. This phase of the meat industry requires huge investments in packing plants. Thousands upon thousands of men and millions of dollars' worth of machinery are used in transforming live animals into meat. The work is intricate and yet so systematized that it seems simplicity itself. Before war-time regulations barred visitors, the Chicago packing plants provided one of the most interesting show places in the country. Hundreds of thousands of visitors inspected the plants yearly, and they will bear me out that the preparation of meat is not an inexpensive matter.

On the contrary, it is expensive, though the application of modern machinery and the most approved methods have held it to a minimum considering the demands made upon it. For instance, the edibility and cleanliness of all food handled by the big firms which do interstate business must be certified to by Government inspectors. These experts have the last word on everything that is intended for food, and they

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compel the taking of precautions which absolutely assure the high quality of everything that they pass upon. They inspect all meat animals at various times during the dressing and packing processes and prevent the possibility of diseased or undesirable animals being utilized as meat. Thousands of such animals are rejected and forced into the fertilizer vats of the big concerns.

No small share of the expense incident to the preparation of meat is due to improvements in the conditions under which employees of packing plants work. The work is not easy and does not appeal to all classes of workmen, the result being a constant shifting in the labor force. Efforts are being made to render working conditions more attractive in the belief that economy of operation demands a reduction in the labor turnover.

Welfare work that is being done among the employees is also desirable from the consumers' viewpoint despite the expense. We feel that our activities along social lines are rendering our workers more efficient, more contented, and better able to help the Government inspectors in guarding our output.

But in spite of the large sums that are spent for improved working conditions and in promoting the health and welfare of the workers, the cost of this phase of the handling of meat is remarkably small when considered as applying to each pound of dressed meat. It is only a matter of a cent or so a pound, and it is not really paid by the people who eat meat; the expense is covered by the sale of the by-products. High prices of meat, therefore, are not due to the cost of preparation.

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Neither can the blame be charged to the cost of distribution. In this field, as in the actual dressing of meat, the packers have reduced expenses to a minimum. They have built packing plants at what might be termed strategic points. At or near every center of production is a plant which enables the producers to ship their cattle to market with the least possible loss from shrinkage, accident, or death.

As a result of the huge investments of the big meat purveyors, there are few meat producers in this country who have to market their animals at a point so distant that they suffer material loss thereby. Inasmuch as such losses would, in the long run, have to be borne by the consumer, it is fair to assert that in this particular field the packers have held prices down, with benefit to both producer and consumer.

AND DISTRIBUTING COSTS?

Likewise in the distribution of the dressed meat expense has been cut to a minimum. Due to the development of the refrigerator car, there is no loss of perishable meat products that need be charged up to overhead expenses and assessed against the consumer.

Meats can be moved from the center of production to the center of consumption without loss either in quality or quantity. These refrigerator cars are privately owned by the big packers, and it is well that they are, for because they own them the packers can control their movement and assure transportation of meat even when car shortages tie up other industries and prevent the public from getting supplies it really needs. Some months back the Eastern railroads were glutted with eastbound freight, and serious car shortage

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developed and for a time threatened the very food supply of New York City where millions of people have to depend on the ability of the railroads to keep the life stream ever coming in.

There were miles upon miles of sidetracks crowded with loaded freight cars, and the unloading at the steamer wharves could not keep pace with the influx. Food shippers found their supply of cars getting smaller every day. But the privately owned refrigerator cars carried in great quantities of meat for the hungry millions, and the threatened disaster did not materialize.

The branch-house system, as it has been developed by the big packers, is also a factor in the economic handling of meat and other food products. Our company, for instance, has over 400 branch houses scattered over this country where the consuming public can best be reached. These branch houses are in effect wholesale firms, but with this distinction; a considerable share of the overhead expense that would prevail in the case of separate concerns is eliminated and kept from being added to the price of meat. In their effect upon the ultimate price of meats and the other products that they handle the branch houses of the big firms are of service to the public in giving them the service of a nation-wide organization at the least possible cost of maintenance and with the surest guaranty that all products will be handled with the least waste and the certainty of unimpaired quality.

This wonderful system of distribution—it is a big story all by itself, taking in, as it does, the many steps in the long and interesting journey from the ranch to the table—costs another cent or two a pound

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for the products handled, but, as in the case of preparation, this cost is not borne by the meat eater. It is part of the general expense of the food purveyor and is met by the proceeds from the by-products.

AND COSTS OF RAW MATERIAL?

To ascertain the reason for the high price of meat it is therefore necessary to turn to the remaining factor of the four which determine the price—cost of the raw material. So far as the packer is concerned, the cost of raw material is the price he must pay for the meat animal in the open market. The packers' influence on this price is negligible. Contrary to a somewhat general view, the amount the packer pays for the live animal is regulated absolutely by the supply and the demand, and not by the whim of the buyer. If he could regulate the price he pays, he most certainly would not be paying 16 cents a pound for hogs and 14 cents a pound for beef cattle. His need for meat animals, balanced against the producers' willingness to sell, results in the fixing of the selling price of the animals. The packer must have meat animals in order to keep his business going; the producer must sell them in order to continue in business. Therefore the packer cannot be arbitrary and say he will pay so much and no more, any more than can the producer be arbitrary and say he will take so much and no less.

The buying of cattle at the live-stock market is a business transaction pure and simple. The live-meat animals come to market, say in Chicago, and are received by the commission man selected by the producer to act as his agent. It is reasonable to believe that the agent will get as high a price for the cattle as

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the state of the market permits. He puts the animals on exhibit in a pen in the yards and endeavors to get prospective buyers to bid on them. There are a great many buyers on the Chicago market, as buying is done for half a hundred concerns in addition to the big ones and for various feeders throughout the district. It makes quite a field for the commission man to work.

LAW OF SUPPLY AND DEMAND

The bids that the buyers make are governed by conditions peculiar to each market day, for the supply and the demand change from day to day. The supply especially is subject to sharp fluctuations. The farmers and stock raisers may send in many cattle or they may send in few. There is no certain indication, and the only guide the market has is the estimates made up by men of experience in the business. It is a toss-up as to whether there will be an oversupply or a shortage.

The buyer for each concern, or for each individual, goes out into the yards with a definite idea as to the needs of his plant or patron, which needs are based on the demands and the orders that the firm has on hand at the minute. Each buyer's value to his firm lies in his ability to get good meat animals at an early hour in the morning and at prices in accord with the quotations that will rule for the day. So there immediately arises a combat of desires—the desire of the commission man to sell and the desire of the buyer to acquire the animals he must have. When the point of balance is reached a bargain is struck.

If the supply is short, the commission man has the better of the matter and prices are forced up; if there is an oversupply, the buyer is able to pick and choose

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and the competition to sell forces prices down. The conditions of supply and demand are such that quotations change from day to day and even from hour to hour. If ever a way can be found to make the supply stable, it will be a splendid thing for both the producer and the purveyor in that it will tend to eliminate the element of chance from determination of market price.

WANTED—BETTER BREEDS

The packers are just as anxious for lower prices as is the public. The packer's profit on a steer or a hog or a sheep is about the same whether meat prices be high or low. But when the price is low, consumption of meat increases and permits the packer to do a larger volume of business, thereby increasing his profits in the aggregate without increasing his profit on the single animal.

High prices compel him to lessen his volume of business because as the demand for meat falls off it automatically limits the business in by-products, and, as I have stated before, the by-products furnish both operating expenses and profits.

This statement does not accord with the general conception, but it is true nevertheless. Any charge that the packers are responsible for and are unduly profiting by the high prices of meat does not accord with the facts. High prices are the result of the high cost of the raw product, the meat animal on the hoof.

I am not inferring that the stock raisers are profiting unduly as a result of present prices. Their costs have undoubtedly advanced considerably, but the exact measure of this advance, compared with the advance in their selling price, is a matter for debate. This much is

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certain: despite present high prices for feed and farm labor, those stock raisers who have stocked their farms with high-grade animals, and availed themselves of the expert advice and assistance at their disposal, are making profits. This is a condition toward which the Government agricultural authorities and the meat-purveying industries have been working for years. It is necessary that there be a profit in raising meat animals if the supply is to keep pace with the demand. The meat producers' profits to-day are largely guided and influenced by supply and demand, and it is a certainty that the world demand for food was never greater than now.

All Europe wants our meat and is willing to pay large prices. Our own national demand, too, has increased much faster than has our population, showing that war wages are enabling many people to increase their meat purchases to a point more in accord with their appetites. Demand, in short, has run away from supply, and this is true despite the fact that supply has been increasing in the past few years. For instance, a million more cattle were slaughtered in 1916 than was the case in 1915, and the first half of the present year indicates that a new record will be set in the number of animals slaughtered.

These figures may not be as cheering as they seem at first glance, for they probably indicate only additional selling of meat animals and not necessarily additional production. I fear that the high quotations that have prevailed thus far this year have resulted in many animals being sent to market that ought to have been kept on the farms for breeding purposes.

In any event, it is a certainty that the growing of live

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stock provides a profit, and it is to be hoped that as the producers turn toward better breeds and perfect themselves in the economics of cattle raising they will reduce the cost of production, thereby lowering the cost to the ultimate consumer.

RETAILING REFORMS NEEDED

It is my opinion, however, that, before the price of meat and of other food products as well can be materially reduced, there will have to be a far-reaching change in the demands made by the public upon the retail trade. The retail dealer's cost of doing business is one of the largest variable items having to do with determination of ultimate price. He is the last link in the long chain extending from the farm to the table, and, while he does nothing other than act as a distributor, he is compelled to charge in the neighborhood of 20 per cent of the price of each article or each pound of meat in order to cover the cost of doing business.

Unlike the packer, the retailer must add to every pound of meat he handles the pro rata cost thereof. The retailer has no by-products to bear his expense of doing business. The consumers of food have to provide the entire amount needed by the food retailer to keep his business going, and accordingly his cost of doing business is a matter of considerable moment in determination of price.

I honestly believe that the great majority of retailers are the victims of high prices rather than beneficiaries thereof. I also believe that the great bulk of the retailers will welcome a change in the national method of retailing that will enable them to reduce their cost of doing business. They will need the sympathetic and

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intelligent assistance of the public, however, for present-day practices are the result of the consumers' demands rather than of retail men's desires.

It does not require an oracle to point out the reforms in our national buying system which must be brought about in order materially to reduce the cost of doing business. In the first place, there are too many stores. It is obvious that if there were only a third as many as now exist, each one would do about three times the volume of business it is now doing, and a huge amount of overhead and fixed expense would be cut off, making it possible to sell goods on a much smaller margin than is now the case. Those merchants who are now doing a legitimate business should be aided, but I believe the public has the same right to limit the number of stores as a means for reducing prices as it has to limit the number of saloons as a means for combating the liquor evil.

An erroneous belief is held by many to the effect that the sharper the competition the lower the prices. To a certain extent competition keeps prices at true levels, but too much competition is as harmful as too little. The retailers of to-day need protection from the fly-by-nighters who come into their territory and boost prices in general by reducing the volume of business done by the individual store.

THE PUBLIC MUST DO ITS PART

The public can likewise serve its own interests by aiding the merchant in the matter of collections. Retailers cannot permit their collections to lag without boosting prices to the people in general.

Neither can the retailers reduce overhead expenses while the customers demand four or five deliveries a day and extra fine wrapping paper and colored string and all

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that sort of thing. In the days when prices were low deliveries were a matter of once a day or maybe only twice a week.

If the people of to-day would but adopt the cash-and-carry system of purchasing instead of clinging to the credit and delivery plan, it would be a boon to both dealer and consumer.

In a word, when the buying public permits the retailer to dispense with frequent and costly deliveries, when consumers pay their bills promptly, so that the merchant can meet his obligations before having to pay interest; when the quick-moving, advertised, and standardized foods crowd the slow-moving stuff off the shelves, and when the number of stores is limited to a point which will permit of a big business being done by each — then and not until then will the retailer be able to pass meat and other foods along to the consumer at a price which will not seem high when compared with the wholesale prices thereof.

If the public would have cheaper meat, it must do its part toward reducing the cost of handling meat. It is erroneous to charge that meat prices to-day are high because of undue profits.

Prices are high because the cost of production is the highest on record and because the public demands service which grows more costly as the general trend of prices moves upward, and lastly because world demand for food of every kind is greater and more insistent than it has ever been before.

Producers and purveyors will join with consumers in acclaiming any application of economic principles which will make it possible to produce live stock and put meat on the table at prices so reasonable that people can afford all the meat they want.

LEST WOMEN REALIZE

THE TASK THAT CONFRONTS THEM HUNGER AND
NATIONAL DEFEAT ARE AHEAD OF US

[*From The Ladies Home Journal*]

THE American housewife is to-day a more important factor in our nation's welfare than ever before. The country requires her services on the economical side of this war just as much as it needs her son to handle the rifle. It is clear to me that the problem of feeding the nation and our allies is just as big and just as important and just as necessary to ultimate martial success as is the procuring of a trained army. The woman who is handling the food supply in the home is equal in importance to the man who handles the gun on the battlefield. The triumph of the soldier depends on the efficiency with which you, as housewives, conserve the food supplies so that hunger be not added to the ranks of our foe.

Lest you fail to realize and appreciate the need for conservation of food, I will submit a few figures which I regard as authentic.

The population of the United States increases about two per cent each year. Our production of food must increase a like percentage to take care of our own people. But abnormal conditions prevail now and we are exporting foodstuffs in enormous quantities. Last year's exports were forty-two per cent in excess of the average for the preceding five years. This year's ex-

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ports must be still further increased — else starvation will rob us of our allies in Europe and we will have failed in our duty to them. We might double our exports of foods and still fail to meet the requirements of the hungry peoples of the world, whose very existence may depend upon the food we send them.

I feel justified in asserting that there is crying need for an increase of at least fifty per cent in our supply of foodstuffs — but my highest hopes will be realized if we succeed in producing crops that total even a little above the normal. I have no statistics that are conclusive, but the poor condition of spring wheat, the backwardness of summer, the scarcity of seed which marked the planting season, and the regrettable tendency on the part of cattle raisers to rush immature meat animals, and even valuable breeding stock, to the markets during the prevalence of high prices, make up a combination of circumstances which indicates to me that food production this year will not meet the demands upon it, if we continue to consume at the rate which has made Americans notorious, the world over, for prodigality.

I cannot emphasize too strongly my belief that a serious food shortage — and a multitude of accompanying evils ranging from high prices to national humiliation — is in prospect unless you — the women of America — act to avert it.

The fear of high prices should alone prove a sufficient incentive. Butter at a dollar a pound and other foods proportionately high come nearer being probabilities than distant possibilities. I warn you that our present rate of consumption of food will certainly bring on prices so high that thousands will want. Even wealth

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will not assure plenty. And behind the food shortage stalks military disaster and national danger and, it may be, the end of even our political freedom and our personal liberties. A food shortage is appalling in its possibilities for disaster to our nation and to our people.

This is true because a restricted food supply is a more deadly foe than any army of millions. Hunger might defeat us even if we find a way to fight submarines and poisonous gases. Back of every man on the firing line are four others on whom he must absolutely depend, and chief among these is the one who supplies him with food. A foodless soldier is more impotent than a soldier without weapons; we are a beaten people if we permit a serious food shortage to develop. And this much is certain: the food problem, at this time, is not up to the farmer. He is going to win as much from the soil as nature will permit. Whether or not we go hungry and suffer defeat is now up to you.

The immediate and outstanding problem is the conservation of food supplies.

That puts the matter squarely up to the housewife. Your "bit" in this war — in addition to all the things woman has done in other wars and which have earned her the undying gratitude of humanity — is to so regulate the consumption of food that the nation will not have starvation to contend with in addition to the most powerful military machine of all time.

You must economize; you must use less; you must eliminate waste, not only because you and your loved ones face hunger, but because it is your patriotic duty in this time of crisis. Summed up, here is the program for the American housewife; here is what you must do

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as your share toward winning this world-wide war and restoring peace:

Eliminate waste.

Purchase on the basis of need, not whim.

Lessen the amount of food eaten.

Reduce your standard of living.

There are four general rules, which, if followed, will conserve the nation's food supplies and keep hunger from our door.

The elimination of waste is the first and chief necessity. Statistics prove that you American housewives permit a loss each year of food valued at \$700,000,000, most of which goes into the garbage can. Think of that. It is a stupendous sum to throw away and it is criminal when you consider the dire consequences. This waste may mean only a few dollars each month for the individual family, but the aggregate is tremendous. It includes left-overs that are not utilized; it includes food spoiled by careless or incompetent cooking; and it includes food that spoils in the larder because it was bought when not needed or in too great a quantity. The loss from these three causes is enormous — and absolutely inexcusable.

The second rule is to purchase on the basis of your needs rather than in accord with your whims. In other words, reduce buying to a system so that your daily fare will contain the food elements necessary to a properly balanced ration and without a lot of inconsequentials set out merely to tickle the taste. Under this same heading, I recommend that you follow the "cash and carry" plan of buying in preference to the "credit and delivery" plan. That will cut living costs because it will enable your dealer to cut his overhead expenses. And

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more important still, by your contact with the dealer, you can work together on the big problem of standardizing foods so that they can be handled with the greatest possible economy and with certainty as to quality. Likewise this will permit and aid in the spreading of the message among the housewives.

My third rule advises you to eat less. Americans are reputed to be prodigious eaters — and they are. We have been serving five courses where three would have been sufficient; we load up the dinner plate to show our hospitality and eat more than we want, to be polite. Those are practices we must discontinue. It must be made fashionable to conserve food — not to squander it. Under this rule it is proper to call attention to the economic waste entailed through the eating of veal, lamb and suckling pig. It is part of wisdom, now, to do without these meats. The calves, lambs and pigs of to-day will be vastly more important in solving the food problem of to-morrow than is the case to-day. Lambs in particular should be spared because the army needs wool and the supply is short. By letting the lambs develop into sheep, the wool clip of next year will be fifty per cent larger than this year's. So, housewives, cut veal, lamb and suckling pig off your menus and advise your husbands and your brothers and your sons not to call for them at the hotels or restaurants.

Lastly, I counsel reducing the standard of living. There are none of you but what can dispense with something that will materially aid in the conservation movement. I even go so far as to recommend the introduction of a meatless day at least once a week in each family; cut down the amount of meat used on the other days by making smaller amounts flavor casserole dishes

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such as rice. And by all means, learn to use the cheaper cuts of meat. They are wholesome and nutritious and require but little culinary skill to make them deliciously good to the taste. There are various other ways in which living standards can be made more in accord with the situation confronting us. The cheaper and coarser foods should be more widely used. Properly prepared, they will satisfy the appetite and furnish bulk, both of which are essentials. That will make the higher class foods last longer and go farther, and the reduction in standard will not even be noticed. It is proper to add here that physicians agree that, as a nation, we would be better off in health and vitality if we ate less and leaned farther toward the cheaper and bulkier foods.

One more rule for the housewife: Study household economy and cooking with an eye to rendering yourself more efficient for the task before you. The skilled housewife can effect many economies. The conservation of every bit of fat is one of the most helpful things that home managers can do for the nation. Knowledge of food values is important to the progressive woman who wants to reduce expenditures and help the conservation movement. A concentrated diet, of course, means less leeway, so the home manager needs the knowledge of what constitutes proper food balance.

All of the things I counsel might well be called little things when they are brought down to the individual family; but when they are multiplied by the thousands upon thousands of families that make up the American nation, the little things swell into big things — into enormous forces for good or bad. It is for the housewives to watch the little things so that they may be

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made a huge and deciding factor in our life and aims of to-day.

You have something to fight for that is more important than lower prices. You must economize in buying food now else there will be no food to buy later on.

The welfare of the nation depends on you, on your success in conserving the food available for the people of the United States and our allies in the days to come until peace reigns again.

OUR DIMINISHING HERDS

[From *New York Independent*]

THE United States is confronted by one of the most serious problems a nation has ever faced and I hope that realization of that fact will come before we have had to suffer as has Europe.

Experience, you know, is cheap or expensive, depending on whether you use the other fellow's or insist on getting some for yourself. We have the experience of Europe before us and it behooves us to profit therefrom.

In my opinion, the most serious question before the country to-day has to do with producing and conserving of food for next winter and with laying the foundations for a food supply for the next few years to come. Not only a hundred million Americans, but many millions of Europeans are looking to us for bread and meat to hold their bodies and souls together.

If we fail, terrible suffering stares America and Europe in the face. But we must not fail.

Here is the situation. Three years of war, such as the world has never seen, have wiped out the surplus food supply in Europe and three years of abnormal export demand, coupled with short crops and diminishing herds of live stock, have reduced stocks in this country until we no longer have a surplus. A normal crop this summer would hardly feed our own people and would fall far short of feeding our own and helping to feed Europe's.

Nothing but unusually large crops of every variety and the most careful distribution and use of them, will

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take us through the winter months without widespread suffering.

The cry for larger crops is being echoed from coast to coast and I am hopeful that it will meet a hearty response such as only the farmers of America can make. Too little emphasis is being placed, however, on the need for conserving the supplies we now have.

This is especially true as regards live stock. At this time when great pains should be taken to safeguard our meat supply, the reverse is what is being done. Instead of working diligently to produce more and better meat animals, the tendency is to take advantage of the high prices and slaughter everything that can be sold to the packers.

To reduce our herds is bad enough, but to slaughter breeding stock is little short of suicidal. Yet we are doing both those things here in America and absolutely ignoring the result of such a course as exemplified in Europe.

Nearly every country there permitted the live stock herds to be greatly depleted during the early months of the war. Prices were high and forage was scarce and expensive, and before the authorities awakened to the danger, the meat supply was so greatly diminished that meat cards and various kinds of food restrictions have been in vogue ever since. They learned by bitter experience that depletion of the live stock herds is disastrous.

Of course, this phase of the situation is one for the producers to solve, but there is, nevertheless, a most important phase of the food situation that is up to every individual in the land. That is the conservation of food itself.

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Conservation does not mean self-denial; it means using that which is necessary and using it all. In other words it is not necessary for you to go hungry; but it is necessary, or soon will be, that you eat no more than you actually need and that you permit no waste.

I saw by the papers recently that the Daughters of the American Revolution, assembled in national convention, dispensed with the banquet which was generally looked upon as a feature of the meeting. Experts estimated that the cancellation of the banquet saved \$3000 worth of food that would have been eaten or otherwise disposed of at the banquet. And the ladies did not go hungry either.

Here is a way in which every individual in the country can do his bit toward the prosecution of the war. Eat what you need, but don't waste any food. Few of us but what eat more than is necessary. Many of us are in the habit of setting expensive tables and seeing a large part of that which is brought in go off the table as uneaten scraps or in such shape that it is past the stage where it can be conserved. The man or woman who wastes food through the serving of too sumptuous meals is an offender against his country in its hour of extremity.

People of means should set an example worthy of emulation throughout the land. They should do those very things in the way of conserving food that the nation as a whole is asked to do. We are not starving at our house, but Mrs. Armour has adopted measures that prevent any waste of food. If the menu includes rice, we dispense with potatoes and save for later use just the amount of potatoes that would ordinarily have been on the table. If we don't use the potatoes, someone else can.

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I note that numerous well-known women have announced their intention of conserving the food supply in their own homes. That is the place for all of us to start. Food conservation, like charity, should begin at home.

But we must not put the matter up entirely to the women. The men of the land must back up the women and encourage them to make their moves toward conservation more efficacious. If the men think more about their bodily needs and less about the cravings of their appetites, it will be easier for their wives to plan meals that will not waste food.

Besides conserving food, the men who have estates can set the nation a good example by becoming producers of food. I happen to possess a rather large country place at Lake Forest, Illinois, and I have given directions that all of it which is not permanently improved, be cultivated this year.

Besides eating less, and wasting less than in former years, it behooves us all to produce food if it be in our power. There are several kinds of slackers in addition to the one who dodges wearing a uniform and going to the trenches. The people of this land who waste food or who have opportunity to produce food and fail to utilize it are also slackers.

Let there be no slackers of any kind among us; let us all do our bit to render the nation competent to meet the crisis that confronts it. Produce food if you can; and in any event make an earnest and continued endeavor to conserve it.

WHY THE BANKER SHOULD HELP TO INCREASE LIVESTOCK PRODUCTION

[From The Banker-Farmer]

AGRICULTURE, and especially the livestock phase of it, is to-day one of the most momentous problems that ever confronted a nation. With our food stocks depleted and prospects for the coming crop year none too good, we are entering actively into a world war, the most gigantic and far-reaching conflict that history has ever known. We are asking men to leave the plow and the cattle range and take up rifles; we are moving in a direction that means fewer producers of food and more consumption.

The world situation, as regards the food supply, is so serious that I do not hesitate to assert that unless the food producers of America can greatly increase production, hunger and maybe actual starvation will come to thousands of human beings with the flying of snow next winter. And I likewise foresee that only through greatly increased production can we prevent prices from attaining a height where only the rich can buy what are now considered the necessities of life.

I have been asked to discuss the live stock question and, of course, that is the subject in which I, as a packer, am most intensely interested and probably competent to discuss. But I want to say that, important as the matter is to the packer, it is of even greater importance

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to the public as a whole and the farmer and the man who stands behind the farmer — the American banker.

Only through greatly increased production of farm crops and of meats, coupled with efficient national conservation of the supply, can we solve the problem before us. The government, the public, the packer and the banker must unite to help the farmer meet the situation.

The farm journals and the agricultural schools and colleges are already energetically at work with increased production and greater revenue for the farmer as the goal of their efforts. They are now and have been for years doing a great and practical work for the agricultural interests of the country and for the nation as a whole. But the job is big enough for us all.

Less than half of the land in the United States is normally under cultivation. That is bad; we must endeavor with all our might to increase farm acreage this year. Of course not all land is arable but there is much that is arable but which is not used. We must encourage the farmer to extend his acreage; we must help him if he needs financing. There is one of the measures for the bankers to take.

Now as to live stock. The population of the country has increased 15 per cent in a decade, but the production of meat animals has failed to keep pace. In the last year or so, live stock production has been falling away instead of increasing because the temporarily high prices have caused serious inroads into the breeding stock in addition to sending many animals to market before they were finished.

This situation is most serious. It is a double-edged boomerang. It is poor financial policy in the first place

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because it is letting the one-dollar profit of to-day hide the certainty of a two-dollar profit tomorrow.

The steer that reaches the packer unfinished is a great economic loss. The beef calf that goes to slaughter is even more so.

When the farmer depletes his herds by the above methods he is robbing himself and the public. In permitting his herds to be depleted at all, he is robbing himself and the public and even the soil itself, for without live stock, the fertility of the farms would soon be gone.

It is our duty as bankers and packers, to aid the farmer in meeting the conditions that bring about this depletion of the herds. We must show him how he will benefit from better stock and more of it. We must show him where it means money in his pocket to pay out money for highgrade breeding stock.

The farmer is reasonable enough—but he has to be shown. Prove to him—as can be done—that it costs no more to produce a prime steer than it does a scrub; prove to him that he will make more money by feeding a calf until it is two years old than he will by selling the calf to the slaughter house and the grain to the grain dealer. Show him, in a word, where it is money in his pocket to raise big grain crops and market them in the form of high-grade live stock. Teach him the economy that comes through a big volume of business; and he will soon see that he can make two dollars where he is now making one while at the same time the price to the consumer need not be advanced.

This live stock problem is too big to treat in a paragraph or in a dozen of them, for that matter.

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Did you know, for instance, that only one farm in every seven east of the Mississippi has sheep on it? Well, that is a fact; and think what it would mean to the farmer and to his land and to the consuming public if every fourth farm instead of every seventh farm had a goodly number of sheep on it, enriching the land and the farmer and relieving the meat shortage!

What applies to sheep also applies to cattle and hogs. It is a fact that can be demonstrated that there is more money in raising grain and marketing it through the medium of high-grade meat animals than there is in selling both grain and scrub cattle. And from the standpoint of soil conservation and soil improvement, it is positively a crime to neglect the raising of a considerable number of live stock on the farm.

Big crops, fed to high-grade meat animals, mean big financial returns and constant improvement of the soil.

Men who have devoted their lives to the problem assert the truth of that statement. Numerous successful breeders of high-grade stock illustrate the truth of the conclusion. How are we going to get the average farmer to see it?

That is where the American banker can perform a great service for the farmer, for the public, and for himself. The farmer comes to you for money to improve his farm or to finance his planting. He is open to advice; give it to him. Tell him the advantages that accrue through the raising of better stock and more of it. Be guided, yourselves, by the decision of the Macon National Bank of Macon, Georgia, which in a statement on September 16 announced: "To encourage diversification on the farms, this bank will

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lend money to farmers at a low rate of interest to buy thoroughbred cattle and hogs."

There is something for the bankers of the United States to think about; there is a field in which they can get cash returns from their labors to increase the amount of production, improve the fertility of soil, and provide more and better meat animals for the consuming public.

The problem before the country is of immense importance; it is one that has to do with life itself. You bankers have a duty to perform in helping to meet the situation. You are an important factor and you must not fail the nation. The food situation must be solved and you must help the farmers to solve it, not only by encouragement and through educational propaganda, but by getting right into the game and putting up the money that will be necessary to provide increased production and the more and better meat animals.

Do not fail the nation in this extremity!

FOOD SHORTAGE: AN APPEAL TO PHYSICIANS

[From The Journal of the American Medical Association]

A FOOD shortage without precedent confronts the United States. Unless there is a change for the better, the coming winter will see prohibitive high prices and consequent suffering from lack of food. The physicians of the United States, as guardians of the public health, are vitally interested because the health and the vitality of the people are at stake. It is in the power of the physicians to help relieve the food shortage by taking the lead in teaching people how to conserve the food supply. It must not be forgotten that conservation of the food supply is just as important and just as necessary as is increased production. Physicians cannot very well increase the production of foodstuffs, but on the conservation side of the problem they can be of inestimable service to the nation.

It is generally recognized that people eat too much. As a nation we are more inclined toward "living to eat" than toward "eating to live." The physicians, better than any others, can discourage this habit of overeating.

Knowledge of what constitutes properly balanced rations is not widespread. Housewives have not yet had opportunity to absorb the information gained through scientific study of the food problem by experts in domestic science. The result is that the American

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dinner table contains much that is unnecessary and often lacks things which should be there. The physicians of the land can correct this. They can spread corrective propaganda among millions of people, and they will be heeded because of the position of trust they occupy in American families.

Correct dieting on the part of American people is of paramount importance as a measure to guard against the food stringency that faces us. We must stop the waste of food by learning how to maintain our health and our strength on less than we are now consuming. In a word, I mean we must begin eating to acquire a proper amount of nourishment instead of eating just to fill up. We must make a study of the nutrition in various foods and find out what will give the amount of nourishment we really need. When we have learned these things, our housewives can begin serving us with meals that will satisfy the appetite and provide us with plenty of nourishment without entailing any waste. With the waste eliminated the food problem will be practically solved.

There is no doubt in my mind as to ability of the physicians of the nation to make themselves of prime importance in this fight to conserve the food supply. They have the necessary information and they have at their disposal the channels through which it can best be disseminated among the people of the land.

An old adage says, "Go to the busy man to get things done." Appealing to the physicians to help the food conservation movement is surely carrying out the thought in the adage. The physicians will do their "bit" for the fighting forces of the nation. We confidently expect the medical corps to outstrip their

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European contemporaries in solving the surgical and medical problems of the battlefield and the camp. But it is as necessary to have food as it is to have live soldiers, even in a time of war, for without food there would soon be no live soldiers.

Therefore the "bit" that the physicians can do for their country is not limited to the service they can render to the army on the battlefield. They can serve the army in binding up its wounds, and they can serve the nation by showing it how to conserve food through the intelligent use of a smaller quantity than is now being consumed.

As one familiar with the food situation, I can say that the public has not yet been sufficiently impressed either with the need for more production or with the necessity for more economical handling. This is a time when one can do things that would seem presumptuous in normal times. Under that right, I call on the physicians of the United States to interest themselves in the food conservation campaign and to do all in their power to advise the public as to the imperative need for conserving to the greatest possible degree, the food supply of the nation.

STABILIZING BUSINESS

[An Associated Press Dispatch printed in several hundred newspapers, May 15]

"**T**HE prompt adoption by the American people of the 'business as usual' idea, is going to enable this nation to prosecute war without experiencing a temporary depression such as England and France have recently recovered from," said J. Ogden Armour in an interview to-day in which he was asked to discuss the economic condition of the country. "Modern war," he added, "requires the expenditure of huge sums of money and means maximum employment and high wages for all workers. Other conditions, peculiar to this war, make it certain that this nation will enjoy a period of business and industrial activity the like of which has never been seen and which is assured whether the war lasts several months or several years."

"But suppose people become overcautious as the result of the preaching of war economy—then what?" he was asked.

"There is some reason to believe," he answered, "that economy rules will be misapplied for a while, but conditions are such that the public will soon see, if they have not already, that there is no occasion whatever for them to become alarmed. They will have more money to spend than ever before and they will not find the things they want disappearing from the market."

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Then Mr. Armour launched right into the whole subject, saying:

"A continuation of the great prosperity that has ruled in this country for two years is assured. There is an abnormal demand for everything the workers of this nation can grow or manufacture. There is work at high wages for every man and woman who wants work; the earning power of the people is restricted only by physical limitations; the buying power of the public is greater than ever before. These are certain guarantees of continued prosperity and of an ever-widening scope of our business and industrial life."

"How about the billions of dollars we are lending to our allies?" he was asked. "Wouldn't it be better to keep that money at home?"

"I am glad you mentioned that," replied Mr. Armour. "As a matter of fact, it is a misnomer to call it a loan to our allies. We are primarily extending them credit. Instead of sending billions of dollars out of the country, the transaction means that billions of dollars will actually be freed for circulation in this country. Practically all of the billions we lend our allies will be spent in this country for the products of our soil and our factories and for payment of our workers. We are the storehouse and the factory of the world now and the more money the world can get hold of, the more will be sent here and the more that comes here, the more work and the more business will result. And in this connection, remember the government of the United States is now a buyer for war purposes and the dollars of Uncle Sam have already begun to pour forth to stores, factories and farms to pay for the ex-

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pense of mobilizing, drilling, equipping and feeding the army and navy.

"Under the civilian boards gathered together by the president to direct the great work of preparation, this nation is going ahead, fortified against delay and mistakes through the intelligent application of the lessons learned in England and in France. This applies to industry as well as war. There is abundant evidence that we are profiting from the experience of Europe and that our president and his advisors are going to prevent any industrial hitch such as preceded the prosperous business conditions now prevailing in the British Isles and in France.

"I consider the present the most auspicious from the standpoint of national prosperity, in my memory. There is not one good reason why the business of this country should not proceed in its normal course and on ever increasing lines. There is not one reason why people should fear for the future or should permit themselves to be swayed from the certainty that they are on a sound financial basis. The per capita wealth of Americans to-day is greater than ever before—greater than that of the people of any nation at any time in the past, or in the present. Our national wealth is past the wildest dreams of a few years back. Labor is satisfactorily employed and at record wages. Every day that the war lasts will find a greater demand for the labor and the brains of the wage and salary earners of the United States. Certainty of work and certainty of wages are the prime factors of prosperity. They make prosperity certain.

"Whether the war ends to-morrow, or whether it lasts indefinitely, this much is certain: The United

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States, having possession of approximately 40 per cent of the world's supply of gold, the greatest natural resources and geographical isolation, is certain to suffer less than any other nation in the war or in the whole world.

"The future of our nation is secure; our business prosperity is founded on safe ground; our labor situation is remarkably good and I cannot conceive of a sane or justifiable reason why the people of the United States should become alarmed over any phase of the martial, business or industrial situation.

"The nation has been advised to economize on food. Economy means the intelligent use without waste; it does not call for self-denial. Economy was recommended to stop the waste of the \$700,000,000 worth of food which goes into the garbage pail each year. The wave of patriotism sweeping over the country should not seize upon parsimonious economy as a means of expression. There is no need for people to cease purchasing; there is need only for the elimination of extravagances and waste. There is no reason whatever for curtailment of the use of things ordinarily needed by people; there is need that everything be put to use.

"As patriots it is our duty to stop the wastage of food; as patriots it is equally important that we do not stop the ordinary purchasing on which the business and the industry of the country are founded. Hysterical economy is as much a menace to the nation as is prodigal waste. The pursuance of our normal business along usual lines is of paramount importance at this time in order that our nation may maintain itself on a sound economical and industrial basis from which to

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prosecute the military phase of the struggle for the freedom of mankind.

"Faith is the great need of the people to-day—faith in Providence to lend might to our right, faith in Nature to respond bountifully to the wonderful efforts of our agriculturists to increase the food supply to provide a surplus for our allies, and faith in our government which has taken hold of the problems before it in a way that demonstrates it is deserving of our faith.

"If I were asked," concluded Mr. Armour, "to give a message to the American people,—to the farmers, the wage earners, the merchants, the manufacturers and all—it would be this: Be strong in your faith that Nature will reward the efforts being made to produce big crops and co-operate with our president, Woodrow Wilson, in his efforts to keep the nation composed and so organized as to most efficiently prosecute war. Be confident and live your normal lives, as far as possible. Make business proceed as usual."

ENTHUSIASM

[From *The Armour Magazine*]

ENTHUSIASM is the *dynamics* of your personality. Without it, whatever abilities you may possess lie dormant; and it is safe to say that nearly every man has more latent power than he ever learns to use. You may have knowledge, sound judgment, good reasoning faculties; but no one—not even yourself—will know it, until you discover how to put your *heart* into thought and action.

A wonderful thing is this quality which we call enthusiasm. It is too often underrated as so much surplus and useless display of feeling, lacking in real substantiality. This is an enormous mistake. You can't go wrong in applying all the genuine enthusiasm that you can stir up within you; for it is the power that moves the world. There is nothing comparable to it, in the things which it can accomplish.

We can cut through the hardest rocks with a diamond drill and melt steel rails with a flame. We can tunnel through mountains and make our way through any sort of physical obstruction. We can checkmate and divert the very laws of Nature, by our *science*. But there is no power in the world that can cut through another man's mental opposition, except *persuasion*. And persuasion is reason plus enthusiasm, with the emphasis on enthusiasm.

Enthusiasm is the art of high persuasion. And did you ever stop to think that your progress is commen-

ENTHUSIASM

surate with your ability to move the minds of other people? If you are a salesman this is pre-eminently so. Even if you are a clerk, it is the zest which you put into your work that enkindles an appreciation in the mind of your employer. You have a good idea—don't think that other people will recognize it at once. Columbus had a good idea, but he didn't get "across" with it without much of this high persuasion.

If you would like to be a power among men, cultivate enthusiasm. People will like you better for it; you will escape the dull routine of a mechanical existence and you will make headway wherever you are. It cannot be otherwise, for this is the law of human life. Put your soul into your work, and not only will you find it pleasanter every hour of the day, but people will believe in you just as they believe in electricity when they get into touch with a dynamo.

And remember this—*there is no secret about this "gift" of enthusiasm.* It is the sure reward of deep, honest thought and hard, persistent labor.

THOROUGHNESS

[From The Armour Magazine]

MEN attain success by means of various capabilities and aptitudes, but there is one trait which is never lacking in the truly successful—*thoroughness*.

It is well for us to remember this simple truth as a sort of New Year's reminder. Many of us have need to check ourselves up, again and again, with the query, "Are we thorough in the things that we do?"

The world is full of people who never think their own thoughts out to conclusion; who never do anything quite as well as they are really able to do it. Their information is faulty, their reasoning and planning are slipshod and their work always shows marks of more or less carelessness and incompleteness.

They "get by," many of them, but they never move forward as they might. And they miss the satisfaction and pleasure which should constitute one of the most gratifying rewards to anyone engaged in serious occupation. There is a premium in the business world on the man who does things well—with completeness and finality. He is the man who can be trusted with more and more responsibility, up to the limit of his native capacity.

The Armour organization is a wonderful field in which to practice, with advantage, the trait of thoroughness. It is an organization that is large and diversified; and it depends much on each individual's in-

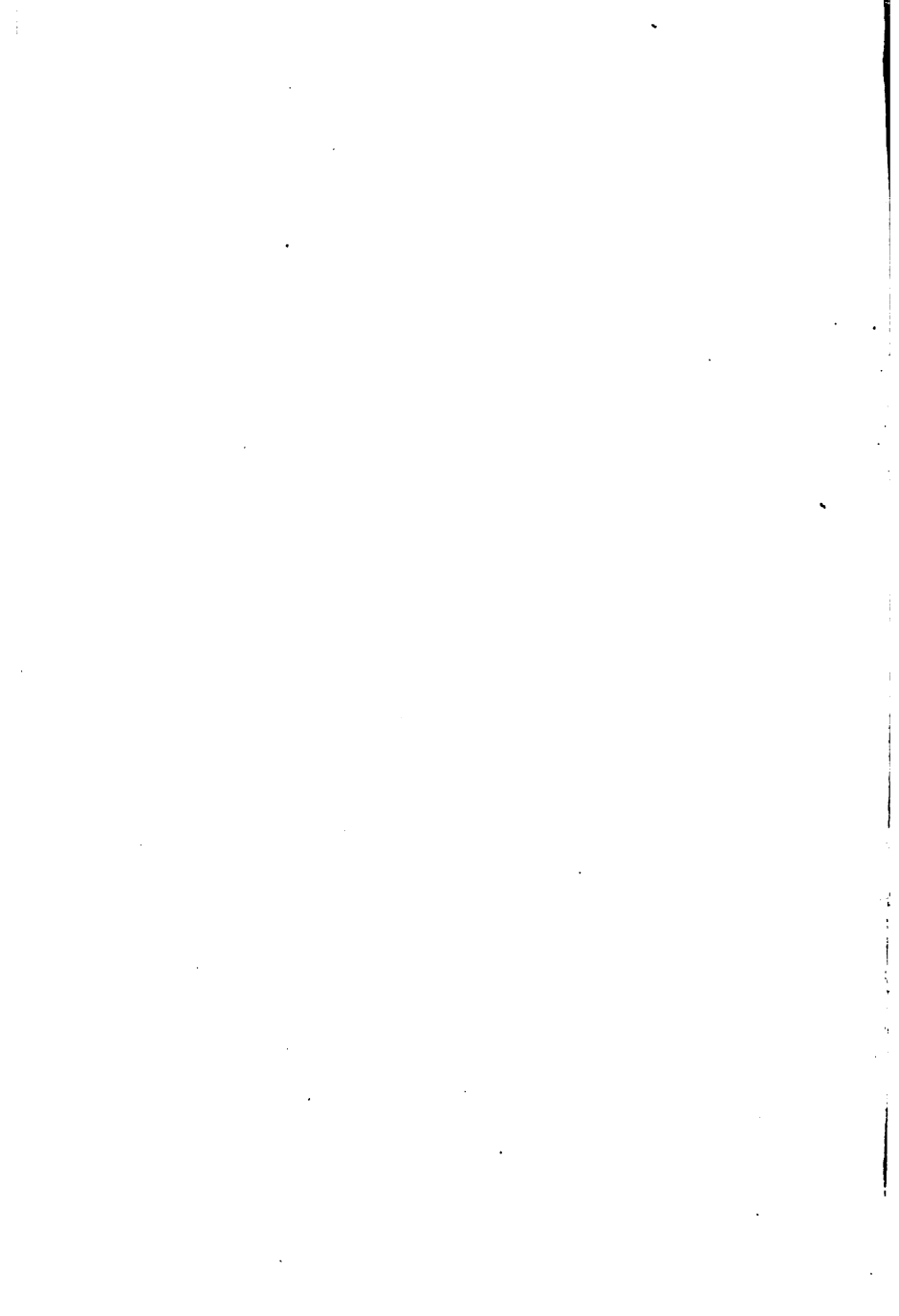
THOROUGHNESS

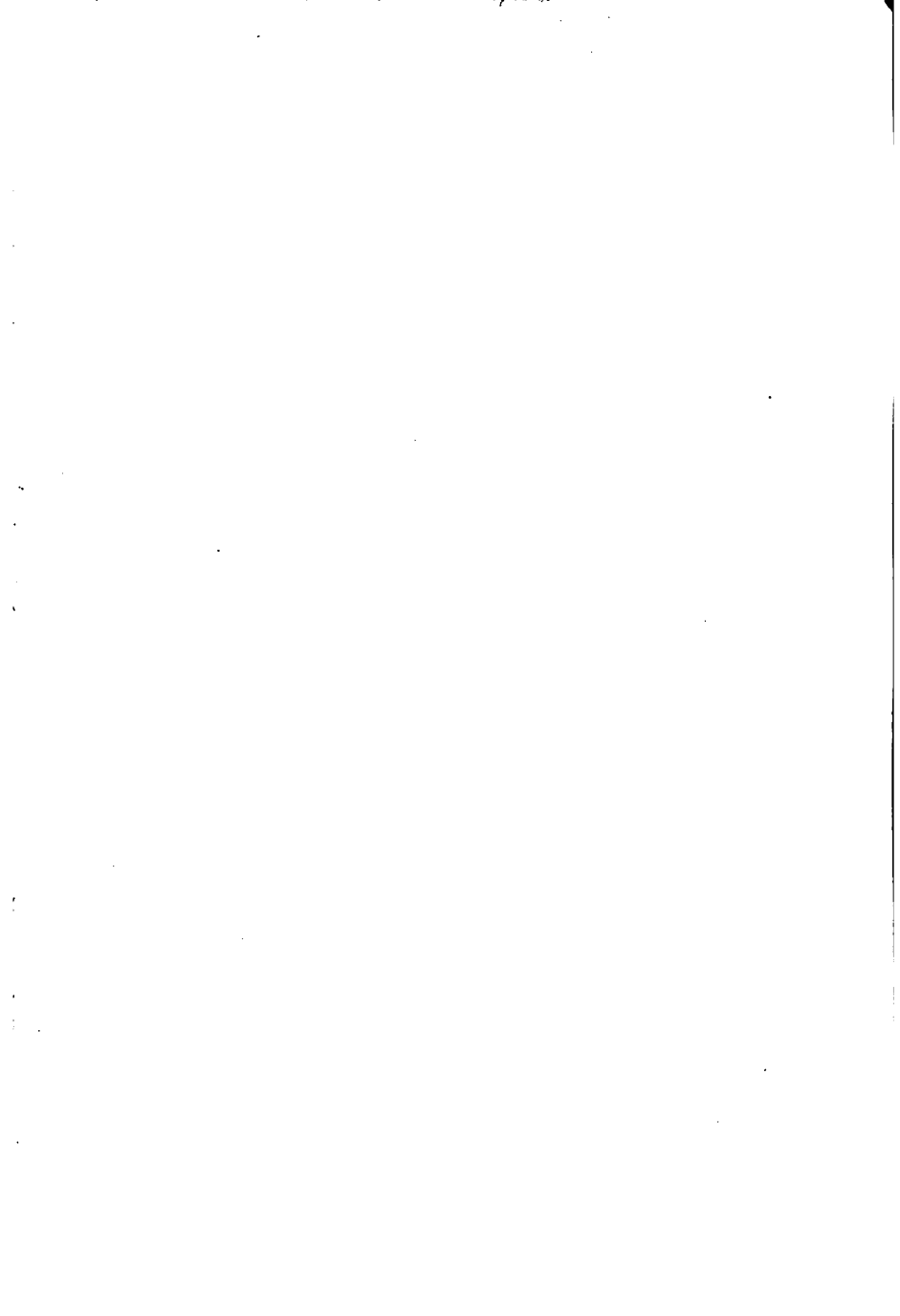
itiative. There are many places where waste, loss or error may creep in. They must be detected by someone's watchfulness and care. There are many possibilities of overlooking fertile fields for betterment or larger trade. Somebody's whole-hearted alertness must be the means of discovering these fields and of cultivating them.

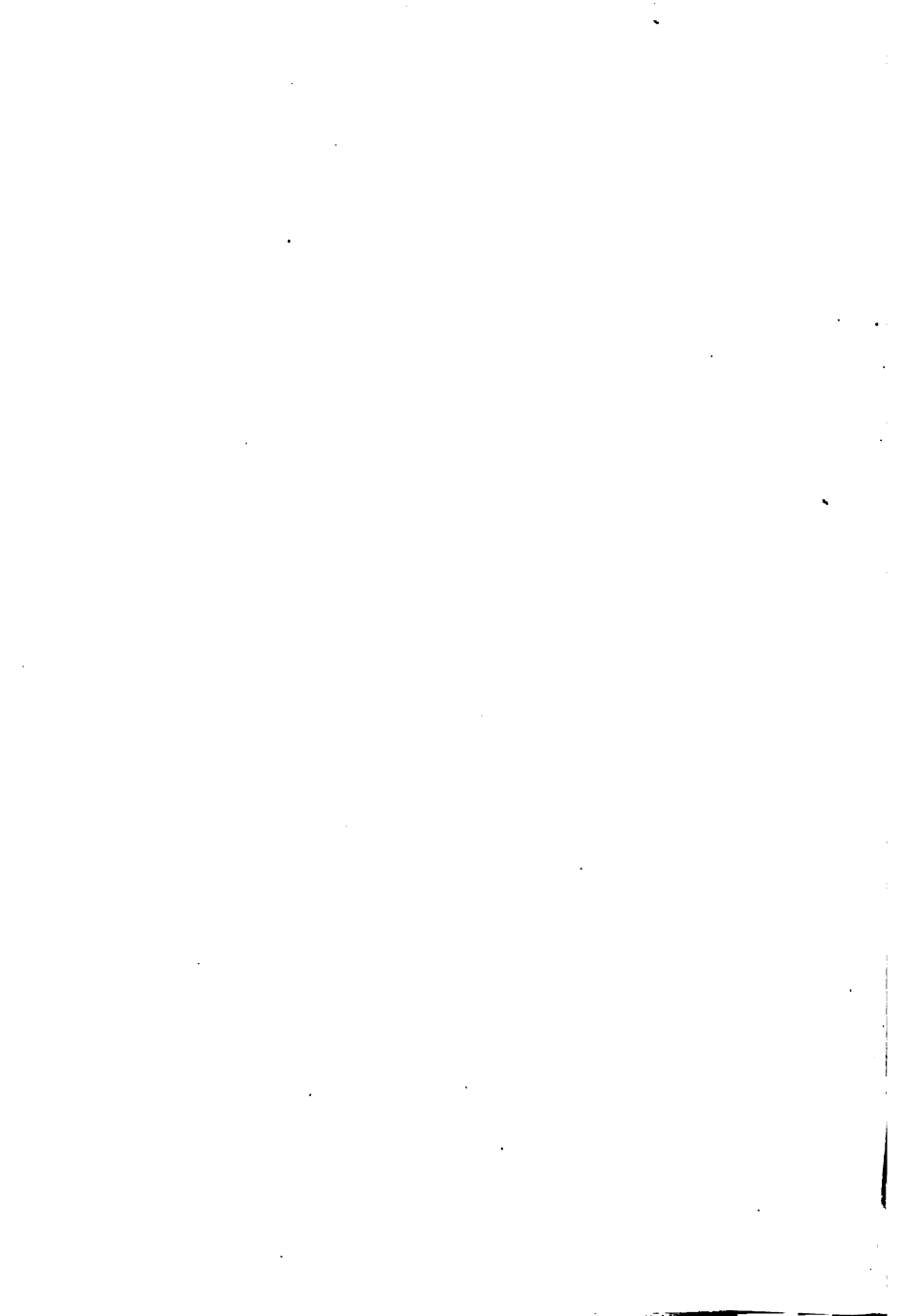
What, then, must, of necessity, be the human characteristic that is at a premium in an organization like our own? Nothing other than the good old-fashioned virtue of doing things thoroughly, and not leaving them partly undone.

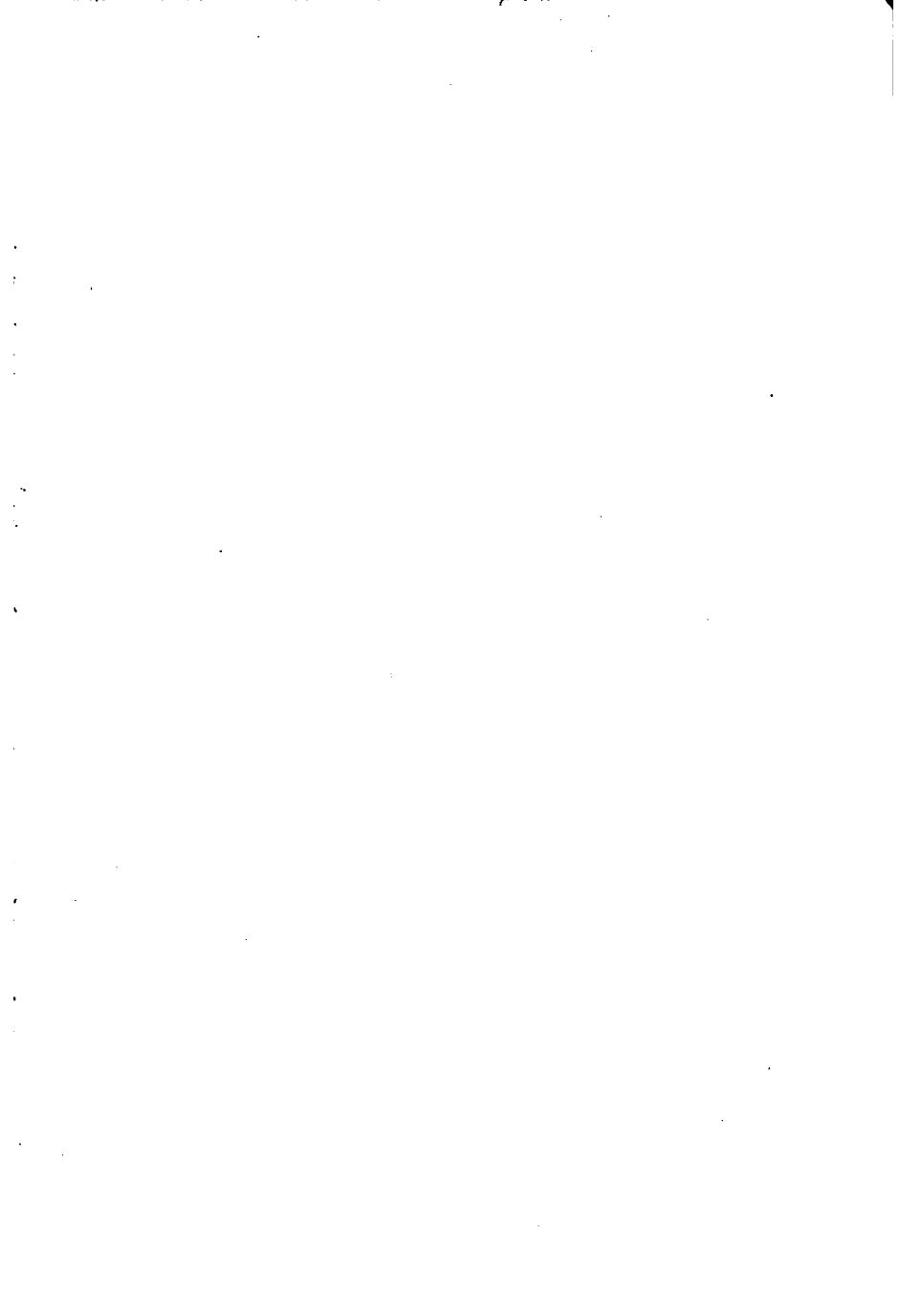
The man who informs himself adequately about his House, its methods and policies, its products; who keeps his mind keyed to the opportunities which lie within his own province; and who does his work so well that it needs no correcting or supplementing by someone else—such a man is on the surest, safest and shortest highway to success that has ever been discovered by anyone.

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